

technology, utility stocks, and, as in Hunt et al., carrier space. Finally, the Examiner asserts that a difference in the type of traded commodity does not functionally relate to the steps of the claimed method, and, as such, the applicant's claimed invention is obvious over Hunt et al. As explained below, the applicants respectfully disagree with the Examiner.

Hunt et al. discloses a system for listing and brokering commodities and derivatives. More specifically, Hunt et al. concerns trade in carrier capacity such as cubic inches for shipment via truck, freight cars for shipment via rail, etc., and in derivatives thereof.

The Examiner's position relies on the assertion that movies and movie talent are just two more data types that can be "fed" into a computerized trading system, functionally interchangeably with any other data type. In this regard, however, the applicants respectfully disagree. A system which allows trading in such things as movies and movie talent must, as does the applicants' system, differ significantly in function from existing trading systems which allow trade in commodities, including more abstract commodities or securities and commodities such as derivatives, futures, and the like. The functional difference is a result of the fact that movies and movie talent are fundamentally, qualitatively different than traditionally traded securities and commodities. This functional difference is in fact reflected in the applicants' independent claims, which include, among other things, receiving orders to buy and sell a derivative financial instrument that selectively represents a movie or movie talent, the movie corresponding to a stock and the movie talent corresponding to a bond.

As such, the applicants' position is not grounded merely on the fact that movies and movie talent are things which have not been traded, or even on the mere fact that movies and movie talent differ fundamentally from traditional objects of trade, but rather on the fact that the fundamental

difference between movies and movie talent, on the one hand, and traditionally traded securities and commodities, on the other, is indicative of a functional difference between the applicants' claimed invention and existing systems. The applicants' specification provides full enabling details with regard to this inventive, claimed new system.

As reflected in the applicants' claimed invention as well as the applicants' specification, movies and movie talent are not interchangeable with traditionally traded commodities and derivatives in computerized trading systems. As just one example, traditionally traded securities and commodities, even those of the more abstract type, typically have characteristics that can be evaluated by reference to traditional financial indicators, such as public trade exchanges, including, for example, the New York Stock Exchange. Movies and movie talent, by contrast, are not the subjects of such traditional financial markets.

In addition, the qualitative difference between movies and movie talent, on the one hand, and traditionally traded securities and commodities, on the other, leads to a markedly different experience for users of the system. For example, in some embodiments of the invention, users of the system take part in a game simulating a stock exchange in which stocks and bonds based on movies and movie talent are traded. "Investors" can "invest" in their favorite actor or actress, or in their favorite movie, for example. Such a game would no doubt not fare nearly as well were "investors" to "invest" in, for example, their favorite carrier space derivative. The greater entertainment value inherent to some embodiments of the applicants' invention is yet another result of the fundamental difference between movies and movie talent, on the one hand, and traditionally traded securities and commodities, on the other, and of the differences between systems which allow trade in such disparate types of things.

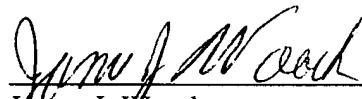
For at least the above reasons, the applicants' claimed invention, which allows trade in stocks and bonds representing movies and movie talent, is not anticipated or obvious over the cited references. Particularly, the Examiner has not pointed out, and the applicants are unaware of, any prior art trading system which discloses or suggests derivative financial instruments selectively representing a movie or a movie talent, as set forth in the applicants independent claims 1, 10, and 19-22, or which discloses or suggests a movie corresponding to a stock and a movie talent corresponding to a bond, as also set forth in claims 1, 10, and 19-22. For at least these reasons, the applicants submit that claims 1, 10, and 19-22 are not are not anticipated or suggested by any prior art trading system.

Moreover, claims 20-22 set forth receiving orders to buy and sell a derivative financial instrument, setting a market price for the instrument based at least in part on criteria associated with the movie or movie talent, and executing a trade at the set market price. Setting a market price for the instrument based at least in part on criteria associated with the movie or movie talent can include, for example, as described above and in the applicants' specification at page 11, lines 18-24, among other places, setting an initial price of a new stock associated with a movie based at least in part on the movie's potential box office revenue, and setting the initial price of a new bond associated with a movie talent based at least in part on the Hollywood Reporter's Star Power Index. Neither Hunt et al. nor any other cited reference discloses or suggests setting a market price for the instrument based at least in part on criteria associated with the movie or movie talent. Claims 20-22 are therefore patentable over the cited references for this reason as well as the reasons discussed above with respect to claims 1, 10, and 19-22.

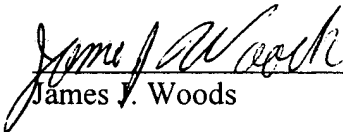
For all of the above reasons, the applicants respectfully request that the Examiner withdraw the rejection, and allowance of all the pending claims is respectfully solicited. To expedite prosecution of this application to allowance, the examiner is invited to call the applicants' undersigned representative to discuss any issues relating to this application.

Respectfully submitted,

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